



**London N. Breed,
Mayor**

**Jenny Louie,
Chief Financial Officer**

MEMORANDUM

To: President Dan Bernal and Honorable Members of the Health Commission

Through: Dr. Grant Colfax, Director of Health
Greg Wagner, Chief Operating Officer

From: Jenny Louie, Chief Financial Officer

Date: April 14, 2023

At the April 18th Health Commission meeting we will have a third hearing on the Department of Public Health (DPH)'s proposed budget for FY 2023-24 and FY 2024-25 (FY 2023-25). As you may recall, the Mayor's Office warned in its December budget instructions of the possibility of additional reductions should the economic outlook worsen. On March 31st, the City issued an update to the five-year financial projection. In the new forecast the deficit increases by \$51.5 million across the next two years for a total shortfall of \$779.8 million. The factors driving the increase in the projected deficit include lower than expected revenue projections compared to the prior forecast as well as increased costs related to employee health benefits and pensions.

Furthermore, there are numerous pending or proposed policy decisions with fiscal impact for the City's General Fund, including: addressing the structural staffing shortages in the Police department, annualizing the Public Works street cleaning supplemental pending approval by the Board of Supervisors, maintaining the current level of community ambassadors, backfilling the loss of one-time State funds to maintain current year shelter operations, and several other appropriations for new program initiatives pending at the Board. The City is also in active labor negotiations with Police and Firefighters' unions and with the In-Home Supportive Services independent providers union.

Consequently, the Mayor's Office provided additional instructions to City departments to propose reductions to General Fund subsidies of an additional five percent of general fund annually over the two-year budget. For DPH, this represents \$50 million a year or an additional \$100 million in total. While the Mayor's Office asked for departments to respond by April 7 with proposals, DPH received an extension to allow for submission after this Health Commission review. This extension also allowed time for a community stakeholder meeting that was held on Thursday, April 13 to preview a draft of the proposals.

At the April 18 meeting, staff will request the Health Commission's approval to submit the proposed General Fund savings initiatives to the Mayor's Office. Commissioners will note that the proposal below only meets 85 percent of the total \$100 million two-year target. Given the size of the target and the extremely short deadlines, staff were unable to identify proposals to

meet the entire amount. We will continue to work with the Mayor’s Office and inform the Commission if additional proposals are required.

The Department’s approach to this additional instruction focuses on leveraging additional revenue and use of one-time savings to preserve core services and minimize impacts to services levels. Most proposals included here will not directly impact service levels. The proposal does include a continued step down of funding for COVID-19 response programs implemented over the past three years, including a \$2 million reduction in funding for testing and vaccination sites, based on the loss of federal emergency funding, sharply declining utilization of services at these sites and continued integration of COVID-19 services into traditional health care settings across the city. These proposals are summarized in table and detail below.

DPH Proposals for Health Commission	FY 23-24	FY 24-25	(in millions)
<u>1. COVID-19 Response and Operational Reductions</u>			
Further Reduce COVID-19 SFHN Operational & PHD Response	6.9	4.8	
Closeout Unobligated Funds	7.5	-	
Subtotal	14.4	4.8	
<u>2. Contracts Adjustments</u>			
Realign BHS Contracts line to expected actuals	3.5	3.5	
Realign PHD Contracts line to expected actuals	1.0	0.5	
IT Contract and Work Order Savings	0.5	0.5	
Subtotal	5.0	4.5	
<u>3. Leverage Revenue to Reduce General Fund Support</u>			
City Option Interest to Offset Administration Contract	20.0	10.9	
Align Services to MHA Full-Service Partnership Program	1.5	1.5	
Shift of costs on to pending State and Federal grant sources	4.5	1.8	
Subtotal	26.0	14.4	
<u>4. Authority and Fund Closeouts</u>			
Continuing Authority Closeouts	7.1	-	
Refuse Lien Closeout	7.0	-	
Subtotal	14.1	-	
<u>5. Reducing Vacant Positions</u>			
Reducing Vacant Positions	1.0	1.0	
			Two-Year Total
Total	60.5	24.5	85.0

1. Further Reduce COVID-19 SFHN Operational & PHD Response

As part of last year’s budget process, DPH proposed a continued step down of its COVID-19 response and operating costs from \$57 million budgeted for FY 2022-23 to \$25 million ongoing. The ongoing costs were detailed as part of the February budget proposal to ensure DPH maintained the necessary capacity to respond to the risk represented by the presence of endemic

COVID as well as other emerging diseases in the future and support increased operating costs for the San Francisco Health Network (SFHN) to address COVID-19 concerns.

With the new budget instructions and the official end of the public health emergencies this spring, DPH has continued to evaluate the programs scaled up during the COVID-19 emergency response. The Department now proposes to further reduce its the ongoing spending in FY 2023-24 and FY 2024-25 by approximately \$4.8 million ongoing. The proposed reductions include:

- Reducing from \$5 million to \$3 million the funding for contracted services for testing and vaccine at community sites, reflecting continued decline in demand and the shift of services into the healthcare delivery systems. DPH community sites conducted fewer than 11,000 tests in first quarter of 2023 (from January to March 2023), compared to nearly 135,000 tests in the same period in 2022. This represents usage of less than 10% of current capacity, even as some of the larger sites have closed as part of the planned step-down of the program. Most sites do not administer the minimum of 40 tests per day that is required to make the sites cost-effective, resulting in an untenably high cost per unit of service. This change will likely reduce the number of City-funded locations by approximately 3 and impact access to these services based on reduced geographic coverage. However, services will remain available for those who need them.
- DPH also proposes to reduce 15 vacant positions proposed for ongoing Covid response and operational impacts. These positions were originally added as part of the COVID-19 emergency for expanded services and to mitigate the impact of exceptionally high rates of leaves and vacancies in pre-existing permanent civil service staffing. With the changing nature of the pandemic and the integration of services into traditional health care delivery, the department believes additional positions can remain unfilled without significantly impacting services.
 - 1.0 FTE - 2806 Disease Control Investigator designated to support Isolation and Quarantine in the Population Health Division.
 - Reduce by 7.0 FTE of the original 15.0 FTE proposed Licensed Vocational Nurses for Primary Care Clinics. These positions were originally budgeted to accommodate increased testing and vaccination volumes. Given the changes in the COVID-19 response and planned hiring of clinic staff, the department believes not all of the positions will need to be used.
 - In 2022 Laguna Honda Hospital proposed adding 4.0 FTE - 2736 Porters and 1.0 FTE - 2740 Porter Supervisor in response to staff leaves and vacancies, and for anticipated additional cleaning services. The department believes this work can be accommodated within the existing permanent staffing levels. Also reducing 1.0 FTE - 2119 Health Care Analyst position added.
 - Reducing 1.0 FTE of 1406 - Senior Clerk for expanded Occupational Health Services at the Zuckerberg San Francisco General Hospital
- Reducing \$2.4 million of funding for temporary staff in FY 2023-24 only, which was budgeted to support the transition of task force staff into permanent roles and as-needed staffing for increased surge response.

In addition to reductions in the budgeted amounts for COVID-19, the Department anticipates \$7.5 million available from unobligated COVID-19 response funds in the current year (FY 2022-23) comprised of the liquidation of prior year contracted services and underspending in salary and fringe costs due to lower-than-expected hiring. \$5 million of this savings was originally planned to be used to backfill any federal funding for test kits and vaccines. Currently, counties are receiving these at no cost, but with the end of the health emergency and liquidation of these funds, DPH will need to limit its distribution to CBOs for community members and cease the distribution of kits to organizations such as Skilled Nursing Facilities and other city departments for their own needs. There is continued federal and State discussion around making COVID-19 vaccines available to those without insurance, with Moderna already publicly committed to creating a program. The Department is monitoring these opportunities to see how best it can leverage them, which would alleviate the need for a backfill for those supplies.

As in prior years, the Department will continue to work closely with the Mayor and Controller's Office to monitor COVID-19 activity to ensure we have sufficient response, should there be a need to augment our response and/or spending mid-year.

Revised COVID Response Budget:

Area of Work	FY 2022-23 Est. FTE	FY 2022-23	FY 2023-24 FTE	FY 2023-24	FY 2024-25 FTE	FY 2024-25
Info & Guidance	5.6	800,000	3.0	800,000	3.0	800,000
Equity & Community Engagement	9.4	3,000,000	5.8	800,000	6.0	900,000
Testing	9.8	12,300,000	5.5	2,800,000	7.0	3,300,000
SIP Hotels	1.5	300,000	-	-	-	-
Epi & Surveillance	7.2	1,000,000	5.8	800,000	6.0	900,000
Isolation & Quarantine	16.6	2,900,000	1.0	200,000	1.0	200,000
Vaccination	23.4	7,500,000	5.4	1,700,000	6.0	2,000,000
Covid Resource Center	11.9	1,700,000	2.0	600,000	2.0	600,000
Operations	44.5	8,000,000	3.0	400,000	3.0	400,000
<i>Subtotal PHD</i>	<i>129.9</i>	<i>37,500,000</i>	<i>31.5</i>	<i>8,100,000</i>	<i>34.0</i>	<i>9,100,000</i>
Ambulatory Care Response	29.4	3,900,000	10.3	800,000	13.0	1,500,000
ZSFG Response	63.3	11,302,090	30.5	8,150,000	31.5	8,500,000
Laguna Honda Response	15.0	4,838,431	5.0	1,100,000	5.0	1,100,000
Total	237.5	57,540,521	77.3	18,150,000	83.5	20,250,000

2. Contracts Adjustments

This initiative adjusts the contracts line item to reflect \$4.5 million of projected year end savings in FY 2023-24 and \$4.0 million in FY 2024-25 and beyond. These changes reflect expected actual expenditures. For a variety of reasons, including delays in starting-up new programs,

higher than anticipated staffing vacancies, and fluctuations in workload, each year contractors underspend a small portion of their annual budgets. While the amounts are often small for any given contractor or agreement, the historical trend, across our hundreds of millions in contract funds, they typically result in some amount of savings at year-end. DPH proposes to reduce its contract budget by \$4.5 million in FY 2023-24 and \$4 million FY 2024-25 to recognize these savings, primarily from its Behavioral Health Services (BHS), Population Health (PHD), and Information Technology Divisions. This change will allow us to recognize savings we usually realize at year-end and forestall service reductions. The \$4 million of savings represents less than 2% of general fund supported contracts budget in those division and does not result in any changes to contracted services, funding, or payment to any organization. A similar adjustment was made as part of the FY 2019-2021 budget process.

In addition, the Information Technology division has identified \$0.3 million in savings in its contracts, due to the recent procurement of more cost-efficient software solutions in several areas. It also will reduce its budget for wiring services from the City's central Department of Technology by \$0.2 million, in line with recent spending.

3. Leverage Other Revenue to Reduce General Fund Support

DPH has identified several additional opportunities to reduce its general fund with other sources.

- In accordance with the escheatment policy adopted by the Commission in January 2022, DPH, the Controller, the Treasurer & Tax Collector and the San Francisco Health Plan collaborated on transferring over \$850 million in total active and inactive San Francisco City Option (SFCA) funds to the City Treasury in the fall of 2022. While these funds are still fully available to the employees, the City Treasury is now earning interest on the balances. This new interest income can be used to pay the administrative costs of the program, which the Department had previously paid using \$10 million in an annual general fund allocated to the Office of Managed Care. Recognizing this interest revenue and offsetting the program administration costs beginning in the current year will result in approximately \$10 million of general fund savings annually. With the current year savings that can be recognized for next year, this shift results in \$20 million of savings for FY 23-24 and \$10 million ongoing in FY 24-25 and beyond.
- In line with State guidance, BHS maintains a reserve of the Mental Health Services Act (MHSA) funds to protect against program reductions given volatility in its funding source, which is a tax on incomes over \$1 million in California. One-time increases in revenue over last two years resulted in a higher-than-expected unspent balance. In addition, the Governor has recently announced plans to push for further investment in full-service partnership services with MHSA funds. As a result, the Division is evaluating opportunities, consistent with the MHSA Three-Year Plan, to shift \$1.5 million of general fund-supported services costs onto MHSA, spending down some of the reserves.
- The Department continues to look for ways to leverage outside revenues to cover costs. It is working to identify approximately \$1.5 million in positions in BHS and \$0.3 million in positions in PHD that can be redirected to state and federal funds. The Department also has pending grant applications and estimates it can shift \$2.7 million of contract services to achieve a one-time general fund savings.

4. *Authority and Fund Closeouts*

The City appropriates certain funds, particularly for large capital projects and for one-time, multi-year programmatic investments, into a type of budget known as a “continuing authority” that allows for spending over multiple years. Unlike operating funds, these balances continue to rollover until the project is complete and liquidated. The department usually reviews these authorities as part of the fiscal year-end procedures to closeout balances for projects that are no longer needed. Due to the additional instruction, this process was accelerated to create general fund savings that could be recognized in time for the June 1 budget. DPH anticipates closing out approximately \$7.1 million in projects across the department.

The authorities are:

- 20752 HD TB Civil Detention - \$2,750,000. DPH continues to build on its Covid experience to find ways to support isolation and quarantine (I&Q) in hotel settings. Due to the continued shift in hotel with the establishment of the I&Q program ongoing, these one-time funds are no longer needed.
- 11278 HG Healthy San Francisco - \$2,917,025. This fund established the Healthy San Francisco program at Zuckerberg San Francisco General Hospital as part of the Community Health Network. With the formation of the San Francisco Health Network, the Healthy San Francisco Program was transferred to and is now administered by the San Francisco Health Network Office of Managed Care. All pre-transfer liabilities of the original fund have been paid and the fund balance is available to liquidate.
- 16186 HG EMS 911 Fund - \$1,315,327. These funds were previously allocated for certain emergency medical infrastructure and maintenance projects and no longer needed.
- Smaller balances (multiple projects) – \$200,000 – These are small unused balances for various continuing authority projects that are completed and the funds are no longer needed.
- Refuse Lien - In addition, an ongoing evaluation of the refuse lien program by the Controller’s Office has identified an accounting adjustment resulting in prior year surplus fund balance of \$7.0 million of savings to be released to the general fund.

5. *Reducing Vacant Positions*

Given the expected downturn and the need for ongoing savings, the department has reviewed some of its older vacancies being held for salary savings and is proposing to eliminate them to achieve ongoing savings. These eight positions, worth approximately \$1 million in ongoing savings, do not provide direct services, are not related to staffing ratio and will not impact delivery of care or services.

Next Steps

With the Commission's approval, staff will submit the full proposal presented here to the Mayor and Controller's Office.

As this proposal does not fully meet the new reduction target set by the Mayor's Office, the Department will continue to work with the Mayor and the Controller's Office to refine initiatives and identify additional savings opportunities, if necessary. Further consideration is being given, in particular, to opportunities to leverage opioid settlement revenues and other non-General Fund sources to offset existing General Fund costs.

DPH staff will continue to update the Commission as the budget process progresses and as necessary schedule any additional hearings as our initiatives are considered for the Mayor's Proposed Budget on June 1.

DEPARTMENT OF PUBLIC HEALTH FY 2023-24 and 2024-25 PROPOSED BUDGET

Div	Item	Description	FY 2023-24				FY 2024-25				Comments		
			FTE Change	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF (Savings) / Cost	FTE Change	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF (Savings) / Cost			
MAYOR'S INSTRUCTIONS													
		General Fund Reduction Targets: 5%, growing to 8% Revenue Changes Assumed in Five Year Projection	-	\$ -	\$ -	\$ -	\$ 49,701,000	-	\$ -	\$ -	\$ 79,521,000		
			-	\$ -	\$ -	\$ -	\$ 20,341,368	-	\$ -	\$ -	\$ 35,865,700		
			-	\$ -	\$ -	\$ -	\$ 70,042,368	-	\$ -	\$ -	\$ 115,386,700		
		Additional General Fund Reduction Targets: 5%, ongoing					\$ 50,000,000				\$ 50,000,000		
							\$ 120,042,368				\$ 165,386,700		
REVENUE													
SFHN	A1	Baseline Revenues for the San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG)	-	\$ -	\$ -	\$ 55,125,019	\$ (55,125,019)	-	\$ -	\$ -	\$ 39,830,735	\$ (39,830,735)	This initiative adjusts Zuckerberg San Francisco General (ZSFG) and San Francisco Health Network (SFHN) revenues to reflect current revenue baseline projections for Patient Revenues, Medicaid Graduate Medical Education (Medicaid GME), and Prior Year Settlements. In January 2023, the San Francisco Health Plan (SFHP) and ZSFG expanded its use of fee for service model transitioning from a capitated model. By expanding the Fee for Service (FFS) model, the hospital will now be able to recover more funding from the SFHP and the State, while maintaining quality care for its patients.
ZSFG	A2	Expansion of a Fee For Service (FFS) Model at ZSFG	11.85	\$ 1,408,516	\$ 38,077,432	\$ (36,668,916)	15.00	\$ 2,378,106	\$ 39,295,432	\$ (36,917,326)		The initiative includes bundled behavioral health revenue changes for FY 23-24 and FY 24-25, offset partially by new investments in quality assurance in the Department of Public Health (DPH)'s Behavioral Health Services (BHS) division. This initiative includes 7.0 FTE for behavioral health quality assurance activities and improved claiming which is partially offset by additional Medi-Cal Quality Assurance revenue.	
BHS	A3	Behavioral Health Baseline Revenues and Quality Assurance/Utilization Review	5.53	\$ 709,714	\$ 15,220,642	\$ (14,510,928)	7.00	\$ 1,232,340	\$ 8,913,393	\$ (7,681,053)		DPH's Population Health Division (PHD) provides core public health services for the City and County of San Francisco. Due to changes in federal funding priorities and lower than expected fee revenues, this initiative backfills \$0.50 million in FY 2023-24 and \$0.67 M in FY 2024-25 of expiring grants and lowered fee revenue to the general fund.	
PHD	A4	Population Health Revenue Backfill	-	\$ -	\$ (502,325)	\$ 502,325	-	\$ -	\$ (665,226)	\$ 665,226			
SUBTOTAL REVENUE			17.38	\$ 2,118,230	\$ 107,920,768	\$ (105,802,538)	22.00	\$ 3,610,446	\$ 87,374,334	\$ (83,763,888)			
REVENUE NEUTRAL & EMERGING NEEDS													
PHD / SFHN	B1	Integrating COVID-19 Response Functions into Ongoing Operations	33.58	\$ -	\$ -	\$ -	\$ -	42.50	\$ -	\$ -	\$ -	\$ -	As part of last year's FY 2022-24 budget, DPH proposed a continued step down of its COVID-19 response and operating costs with \$57 million budgeted for FY 2022-23 and \$25 million ongoing starting in FY 2023-24. A portion of the base \$25 million was programmed last year for 58.0 new FTE across the department. This initiative details the full \$25 million of COVID-19 response and operating costs including the creation of an additional 42.5 FTE annually with the remaining unexpended authority. These investments provide baseline services and costs to prevent further exacerbation of health disparities, continued capacity at PHD and the SFHN to respond to the risk represented by the presence of endemic COVID and other emerging diseases in the future.
BHS	B2	Mental Health Services Act	3.16	\$ 32,012,232	\$ 32,012,232	\$ -	4.00	\$ 17,677,094	\$ 17,677,094	\$ -		The Mental Health Services Act (MHSA) was enacted through a statewide ballot initiative, Proposition 63, in 2004 and provides funding to expand and enhance mental health services within specific funding categories. DPH is projecting additional revenue \$32.0 million in FY 23-24 and \$17.7 million in FY 24-25. DPH is directing this increased revenue to meet critical behavioral health priorities including ensuring the continuity of existing MHS programming. Further, the proposal will fund one-time capital, telehealth projects, innovation, prevention and early intervention, and reserve needs.	
ZSFG	B3	Expansion of Endoscopy Services & Trauma Standards Compliance	4.74	\$ 860,061	\$ 1,040,315	\$ (180,254)	6.00	\$ 1,466,240	\$ 1,783,397	\$ (317,157)		This initiative will add staffing to increase Endoscopy rooms to a total of 3 to serve an additional 2000 patients per year. Additionally, this initiative seeks to hire a 1.0 FTE RN and a 1.0 FTE Health Care Analyst to bring ZSFG's Trauma program in compliance with regulations and updated standards. The new standards include several new expectations in staffing, quality, data management, resource availability, care protocols and operational processes.	
SFHN	B4	CalAIM Enhanced Care Management Expansion for People At-Risk of Institutionalization and Justice-Involved People	9.48	\$ 1,283,189	\$ 1,283,189	\$ -	12.00	\$ 1,881,533	\$ 1,881,533	\$ -		This initiative reflects revenue and expenditure changes anticipated under the new California Advancing and Innovating Medi-Cal (CalAIM), the successor program to the Medi-Cal Waiver. The next phase of the rollout involves several new populations of focus – most significantly, people at risk of long-term institutionalization and justice-system involved people. DPH proposes to add 12 FTE to focus on these new populations, as well as our existing teams under Whole Person Integrated Care, as they gain access to the enhanced care management benefit.	
LHH	B5	Investments to Sustain Improvements at Laguna Honda Hospital	11.06	\$ 1,950,390	\$ -	\$ 1,950,390	14.00	\$ 2,500,547	\$ -	\$ 2,500,547		This initiative supports the recertification effort of Laguna Honda Hospital (LHH). The recertification action plan submitted to the Centers for Medicare and Medicaid services (CMS) includes substantial improvements and process changes across the organization. To support these initiatives, LHH proposes to add 14.0 FTE in key areas including Education and Training, Patient Care Experience, medication management, as well as leadership within the SFHN.	
TOTAL INITIATIVES			62.02	\$ 36,105,872	\$ 34,335,736	\$ 1,770,136	78.50	\$ 23,525,414	\$ 21,342,024	\$ 2,183,390			
ADDITIONAL REDUCTION TARGET													

Div	Item	Description	FY 2023-24				FY 2024-25				Comments
			FTE Change	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF (Savings) / Cost	FTE Change	Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF (Savings) / Cost	
PHD / SFHN	D1	Further Reduce COVID-19 SFHN Operational and PHD Response	(14.69)	\$ (6,900,000)	\$ -	\$ (6,900,000)	(17.00)	\$ (4,800,000)	\$ -	\$ (4,800,000)	With these new budget instructions and the official lifting of the public health emergencies this spring, DPH has continued to look at the ongoing impact of COVID-19 on its operations as well as its community response. The Department now proposes to further reduce its spending in FY 2023-24 and FY 2024-25.
PHD / SFHN	D2	Closeout Unobligated COVID-19 Response Funds	-	\$ (7,500,000)	\$ -	\$ (7,500,000)	-	\$ -	\$ -	\$ -	In addition to reductions in the budgeted amounts for COVID-19, the department will liquidate \$7.5 million of current year project savings for COVID-19 response.
BHS	D3	Align BHS Contracts line to expected actuals	-	\$ (3,500,000)	\$ -	\$ (3,500,000)	-	\$ (3,500,000)	\$ -	\$ (3,500,000)	This initiative adjusts the contracts line item to reflect expected actuals. This change will allow us to recognize savings we usually realize at year-end and forestall service reductions. The \$4.5 million in FY 2023-24 and \$4 million of savings in FY 2024-25 represent less than 2% of the behavioral health and population health general fund supported contracts budget and does not result in any changes to contracted services, funding, or payment to any organization.
PHD	D4	Align PHD Contracts line to expected actuals	-	\$ (1,000,000)	\$ -	\$ (1,000,000)	-	\$ (500,000)	\$ -	\$ (500,000)	See above
DPH	D5	IT Contract and Work Order Savings	-	\$ (500,000)	\$ -	\$ (500,000)	-	\$ (500,000)	\$ -	\$ (500,000)	The Information Technology division has identified \$0.3 million in savings in its contracts, due to the recent procurement of more cost-efficient software solutions in several areas. It also will reduce its budget for wiring services from the City's central Department of Technology by \$0.2 million, in line with recent spending
DPH	D6	City Option Interest to offset Administration Contract	-	\$ -	\$ 20,000,000	\$ (20,000,000)	-	\$ -	\$ 10,900,000	\$ (10,900,000)	DPH, the Controller, the Treasurer & Tax Collector and the San Francisco Health Plan collaborated on transferring over \$850 million in total active and inactive San Francisco City Option (SFCO) funds to the City Treasury in the fall of 2022. While these funds are still fully available to the employees, the City Treasury is now earning interest on the balances. This new interest income can be used to pay the administrative costs of the program, which the Department had previously paid using ~\$10 million in an annual general fund allocated to the Office of Managed Care.
BHS	D7	Align Services to MHSA Full Service Partnership Programs	-	\$ -	\$ 1,500,000	\$ (1,500,000)	-	\$ -	\$ 1,500,000	\$ (1,500,000)	One-time increases in Mental Health Services Act (MHSA) revenue over last two years resulted in a higher-than-expected unspent, reserve balance. As a result, the Division is evaluating opportunities, consistent with the MHSA Three-Year Plan, to shift \$1.5 million of general fund-supported services costs onto MHSA, spending down some of the reserves.
BHS	D8	Leverage State and Federal grant sources	-	\$ -	\$ 4,500,000	\$ (4,500,000)	-	\$ -	\$ 1,800,000	\$ (1,800,000)	The Department is working to identify approximately \$1.5 million in positions in Behavioral Health Services and \$0.3 million in positions in the Population Health Division that can be redirected to state and federal funds. The Department also has pending grant applications and estimates it can shift \$2.7 million of contract services to achieve a one-time general fund savings.
DPH	D9	Continuing Authority Closeouts	-	\$ (7,100,000)	\$ -	\$ (7,100,000)	-	\$ -	\$ -	\$ -	The City appropriates certain funds for spending over multiple years and the Department usually reviews these authorities as part of the fiscal year-end procedures to closeout balances that are no longer needed. Due to the additional instruction, this process was accelerated to create general fund savings that could be recognized in time for the June 1 budget. DPH anticipates closing out approximately \$7.1 million in projects across the Department.
PHD	D10	Refuse Lien Closeout	-	\$ -	\$ 7,000,000	\$ (7,000,000)	-	\$ -	\$ -	\$ -	An evaluation of the refuse lien program by the Controller's Office this Spring has identified an accounting adjustment resulting in prior year surplus fund balance of \$7.0 million of savings to be released to the general fund.
ZSFG / SFHN / PHD	D11	Reducing Vacant Positions	(8.00)	\$ (1,000,000)	\$ -	\$ (1,000,000)	(8.00)	\$ (1,000,000)	\$ -	\$ (1,000,000)	Given the expected downturn and the need for ongoing savings, the department has reviewed some of its older vacancies being held for salary savings and is proposing to eliminate them to achieve ongoing savings. These 8 positions, worth approximately \$1 million in ongoing savings, do not provide direct services, are not related to staffing ratio and will not impact deliver of care or services.
Subtotal			(22.69)	\$ (27,500,000)	\$ 33,000,000	\$ (60,500,000)	(25.00)	\$ (10,300,000)	\$ 14,200,000	\$ (24,500,000)	
INFLATIONARY											
ZSFG	C1	University of California San Francisco (UCSF) Affiliation Agreement Costs	-	\$ 2,910,827	\$ -	\$ 2,910,827	-	\$ 18,682,165	\$ -	\$ 18,682,165	This initiative requests annual adjustments to the long-standing Affiliation Agreement with UCSF for physician, clinical and ancillary services at Zuckerberg San Francisco General Hospital Medical Center. The UCSF Affiliation Agreement is projected at \$242.5 M for FY23-24 and \$258.3 M for FY24-25.
DPH	C2	DPH Pharmaceuticals and Materials and Supplies Inflation	-	\$ -	\$ -	\$ -	-	\$ 10,892,880	\$ -	\$ 10,892,880	This initiative requests annual inflationary adjustments for expenses critical to network operations. This adjustment is critical to ensuring that DPH can continue to provide services and treatments to its patients. DPH projects cost increases of 10% for pharmaceuticals and 11% for food.
Subtotal			-	\$ 2,910,827	\$ -	\$ 2,910,827	-	\$ 29,575,045	\$ -	\$ 29,575,045	

INITIATIVE TITLE: COVID-19 Programming

Description		FY 2023-24	FY 2024-25
Sources:			
	Existing \$25 million	\$ 18,100,000	\$ 20,200,000
	Occupational Health Clinic Work Orders	\$ 250,000	\$ 250,000
	Subtotal Sources	\$ 18,350,000	\$ 20,450,000
Uses:			
	Salary and Benefits	\$ 12,961,875	\$ 15,061,875
	Operating Expense	\$ 5,388,125	\$ 5,388,125
	Subtotal Uses	\$ 18,350,000	\$ 20,450,000
Net General Fund Subsidy Required (savings)/cost (Uses less Sources)		\$ (0)	\$ (0)
Total FTE's		77.3	83.5

New Positions in FY22-23 (List positions by Class, Title and FTE)

Class	Title	FTE		FTE	
Info & Guidance					
0922	Manager I	1.00	161,666	1.00	168,613
2591	Health Program Coordinator II	1.00	123,928	1.00	129,253
2593	Health Program Coordinator III	1.00	149,164	1.00	155,571
Equity & Community Engagement					
0922	Manager I	0.79	127,716	1.00	168,613
1824	Principal Administrative Analyst	1.00	161,269	1.00	168,198
2591	Health Program Coordinator II	3.00	371,784	3.00	387,759
2588	Health Worker IV	1.00	107,286	1.00	111,896
Isolation & Quarantine					
2589	Health Program Coordinator I	1.00	108,845	1.00	113,522
2806	Disease Control Investigator	0.00	0	0.00	0
Operations					
1823	Senior Administrative Analyst	1.00	139,296	1.00	145,282
1220	Payroll and Personnel Clerk	1.00	94,556	1.00	98,619
1632	Senior Account Clerk	1.00	91,778	1.00	95,722
Epi & Surveillance					
1823	Senior Administrative Analyst	3.00	417,888	3.00	435,846
2802	Epidemiologist I	2.00	220,582	2.00	230,060
1053	IS Business Analyst-Senior	0.79	121,109	1.00	159,890
Testing					
2416	Laboratory Technician II	1.58	142,679	2.00	188,368
2463	Microbiologist I/II	3.16	514,900	4.00	679,776
2593	Health Program Coordinator III	0.79	117,840	1.00	155,571
Covid Resource Center					
P103_C	Special Nurse	1.00	254,627	1.00	265,579
2322	Nurse Manager	1.00	262,205	1.00	273,471
Vaccine					
0923	Manager II	0.79	137,101	1.00	181,002
2588	Health Worker IV	1.00	107,286	1.00	111,896
2593	Health Program Coordinator III	1.00	149,164	1.00	155,571
2586	Health Worker II	1.00	83,895	1.00	87,499
2232	Senior Physician Specialist	0.79	254,402	1.00	335,865
1823	Senior Administrative Analyst	0.79	110,044	1.00	145,282
2453	Supervising Pharmacist	0.00	0	0.00	0
2450	Pharmacist	0.00	0	0.00	0
Ambulatory Care Response					
2903	Hospital Eligibility Worker	3.95	362,523	5.00	478,610
2312	Licensed Vocational Nurse	6.32	652,603	8.00	861,575
ZSFG Response					
2320	Registered Nurse	25.00	5,092,120	25.00	5,310,921
2320	Registered Nurse	3.95	804,555	5.00	1,062,184
2312	Licensed Vocational Nurse	1.58	163,151	1.50	161,545
1406	Senior Clerk	0.00	0	0.00	0
Laguna Honda Hospital Response					
2119	Health Care Analyst	0.00	0	0.00	0
2320	Registered Nurse	5.00	1,018,424	5.00	1,062,184
2736	Porter	0.00	0	0.00	0
2740	Porter Supervisor I	0.00	0	0.00	0
	Less Salary Attrition		(2,910,586)		(2,535,434)
	Total Salary	77.28	9,713,800	83.50	11,550,310
	Fringe	33.4%	3,248,074	30.4%	3,511,564
	Total Salary and Fringe	77.28	12,961,875	83.50	15,061,875
Character/Subobject Code					
527000	Professional Services - UCSF Agreement for Info & Guidance		335,417		335,417
527000	Professional Services - UCSF Agreement for Vaccine		167,708		167,708
527000	Professional Services - UCSF Agreement for ZSFG		1,785,000		1,785,000
527000	Professional Services - Testing Contract		2,220,000		2,220,000
527000	Professional Services - Vaccine Contract		780,000		780,000
527000	Professional Services - I&Q Vouchers		100,000		100,000
			\$ 5,388,125		\$ 5,388,125